

**HOGAN & HARTSON**  
**L.L.P.**

97-167

**DOCKET FILE COPY ORIGINAL**

**Writer's Direct Dial**  
**(202) 637-5767**

**COLUMBIA SQUARE**  
**555 THIRTEENTH STREET, NW**  
**WASHINGTON, DC 20004-1109**  
**TEL (202) 637-5600**  
**FAX (202) 637-5910**

**June 27, 1997**

**FCC/MELLON JUN 27 1997**

**William F. Caton**  
**Acting Secretary**  
**Federal Communications Commission**  
**Common Carrier Land Mobile**  
**P.O. Box 358130**  
**Pittsburgh, PA 15251-5130**

**Re: Application on Form 490 for Transfer of Control**  
**of Consolidated Communications Telecom**  
**Services, Inc., Licensee of Rural Radiotelephone**  
**Service Station KSC369, from Consolidated**  
**Communications Inc. to McLeodUSA Incorporated**

**Dear Mr. Caton:**

Enclosed for filing is an original and three microfiche copies of an application on Form 490 for transfer of control of Consolidated Communications Telecom Services, Inc., which holds a license in the Rural Radiotelephone service, from Consolidated Communications Inc. ("Consolidated") to McLeodUSA Incorporated ("McLeod"). Also enclosed is a check in the amount of \$130 to cover the applicable filing fee.

This application is part of a larger transaction between McLeod and Consolidated, which have entered into an Agreement and Plan of Merger. Pursuant to that Agreement, McLeod has formed a wholly-owned subsidiary, Eastside Acquisition Co. ("Eastside"). Upon receipt of necessary regulatory approvals, Consolidated will merge with and into Eastside with Eastside surviving and being renamed Consolidated Communications Inc. ("New Consolidated"). Thereafter, Consolidated's subsidiaries will continue to operate as wholly-owned subsidiaries of McLeod. This transaction will serve the public interest because the

**BRUNEL LONDON MOSCOW PARIS\* PRAGUE WARSAW**

**BALTIMORE, MD BETHESDA, MD COLORADO SPRINGS, CO DENVER, CO MCLEAN, VA**

\\DC - 62854/12 - 0476835.01

\*Affiliated Office

HOGAN & HARTSON L.L.P.

William F. Caton  
Acting Secretary  
June 27, 1997  
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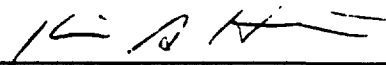
combined companies will be better able to provide high-quality telecommunications services at competitive prices.

Because of the number of separate filings involved in this transaction, the parties request a joint Public Notice of all the applications related to the transaction. Susan O'Connell in the International Bureau has agreed to coordinate the Public Notice for the applications.

Please address any questions concerning Consolidated to Veronica Ahern and J. Breck Blalock of Nixon, Hargrave, Devans & Doyle, L.L.P. at (202) 457-5300. Questions regarding McLeod should be addressed to the undersigned.

Respectfully submitted,

HOGAN & HARTSON L.L.P.

By:   
Karis A. Hastings  
Eric H. Loeb  
Counsel for  
McLeodUSA Incorporated

Enclosures

cc: Susan O'Connell, International Bureau  
James N. Loughry, Wireless Telecommunications Bureau

| OUR REFERENCE<br>NUMBER | YOUR INVOICE<br>NUMBER | INVOICE<br>DATE | INVOICE<br>AMOUNT | AMOUNT PAID | DISCOUNT | NET AMOUNT |
|-------------------------|------------------------|-----------------|-------------------|-------------|----------|------------|
|                         |                        |                 |                   |             |          |            |



TOWN CENTRE, SUITE 500  
221 THIRD AVE., SE.  
CEDAR RAPIDS, IA 52401

FIRSTAR BANK IOWA, N.A.  
DES MOINES, IOWA 50309  
CEDAR RAPIDS - DOWNTOWN OFFICE  
33-54-730

36

03275

| DATE    | CONTROL NO. | AMOUNT   |
|---------|-------------|----------|
| 6/25/97 | 032757      | \$130.00 |

THE SUM One Hundred Thirty Dollars and No/100

PAY  
TO THE  
ORDER OF

F C C

VOID AFTER 6 MONTHS  
AUTHORIZED REPRESENTATIVE

⑈032757⑈ ⑆073000545⑆ ⑈121372 742⑈ CHIEF FINANCIAL OFFICER

Security label  
included.  
Details on b.

FCC 490

## FEDERAL COMMUNICATIONS COMMISSION

Approved by OMB  
3000-0310  
Expires 10/31/97  
Est. Avg. Burden Hours  
Per Response: 3 Hrs.

FCC Use Only  
(File Number)

# Application for Assignment of Authorization or Consent to Transfer of Control of Licensee

Commercial Mobile Radio Services  
Rural Radiotelephone Service

FCC Use Only

## FILING FEE

| (a) Fee Type Code | (b) Fee Multiple | (c) Fee Due for Fee Type Code in (a) | (d) Total Amount Due | FCC Use Only |
|-------------------|------------------|--------------------------------------|----------------------|--------------|
| CGR               | 1                | 130.00                               | \$ 130.00            |              |

## ASSIGNOR OR TRANSFEROR

|  |  |   |                        |
|--|--|---|------------------------|
| T1. Name of Assignor or Transferor<br>Consolidated Communications Inc.                         |  | T2. Voice Telephone Number<br>(217) 235-4456  |                        |
| T3. Assumed Name Used for Doing Business (if any)  |  | T4. Fax Telephone Number<br>(217) 234-9934    |                        |
| T5. Mailing Street Address or P.O. Box<br>121 South 17th Street                                |  |   |                        |
| T6. City<br>Mattoon  |  | T7. State<br>IL                               | T8. Zip Code<br>61938  |
| T9. Name of Contact Representative (if other than Assignor or Transferor)<br>Peter A. Rohrbach |  | T10. Voice Telephone Number<br>(202) 637-8631 |                        |
| T11. Firm or Company Name<br>Hogan & Hartson L.L.P.  |  | T12. Fax Telephone Number<br>(202) 637-5910   |                        |
| T13. Mailing Street Address or P.O. Box<br>555 Thirteenth Street, N.W.                         |  |   |                        |
| T14. City<br>Washington  |  | T15. State<br>DC                              | T16. Zip Code<br>20004 |

## TYPE OF TRANSACTION

|   |       |   |  |
|---|-------|---|--|
| T17. This application requests  | ( T ) | Assignment of authorization                   | Consent to Transfer of Control of Licensee |
| T18. How will assignment or transfer of control be accomplished?                          | ( S ) | Sale or other transfer or assignment of stock | Other                                      |
| T19. This assignment of authorization or transfer of control of licensee is               | ( V ) | Voluntary                                     | Involuntary                                |
| T20. Will this be a <u>pro forma</u> assignment or transfer of control?                   | ( N ) | Yes   | No   |
| T21. Is local or state authorization required for this assignment or transfer of control? | ( Y ) | Yes   | No   |

**AUTHORIZATION(S) TO BE ASSIGNED OR TRANSFERRED**

[illegible]

## ASSIGNMENT OF STOCK

| Stock                         | Number of Shares   | Classification |
|-------------------------------|--------------------|----------------|
| Shares to be transferred      | T27. See Exhibit 1 | T28.           |
| Shares issued and outstanding | T29.               | T30.           |
| Shares authorized             | T31.               | T32.           |

## ASSIGNEE OR TRANSFEREE

|  |  |   |                             |
|--|--|---|-----------------------------|
| T33. Name of Assignee or Transferee<br>McLeodUSA Incorporated  |  | T34. Voice Telephone Number<br>(319) 364-0000 |                             |
| T35. Assumed Name Used for Doing Business (if any)   |  | T36. Fax Telephone Number<br>(319) 398-7070   |                             |
| T37. Mailing Street Address or P.O. Box<br>McLeodUSA Technology Park, 6400 C Street, S.W., P.O. Box 3177 |  |   |                             |
| T38. City<br>Cedar Rapids  |  | T39. State<br>IA                              | T40. Zip Code<br>52406-3177 |

## NEW LICENSEE INFORMATION

|  |  |   |                        |
|--|--|---|------------------------|
| T41. Legal Name of Licensee<br>Consolidated Communications Telecom Services Inc. |  | T42. Voice Telephone Number<br>(217) 235-4456 |                        |
| T43. Assumed Name Used for Doing Business (if any)<br>See Exhibit 3              |  | T44. Fax Telephone Number<br>(217) 234-9934   |                        |
| T45. Mailing Street Address or P.O. Box<br>121 South 17th Street                 |  |   |                        |
| T46. City<br>Mattoon   |  | T47. State<br>IL                              | T48. Zip Code<br>61938 |

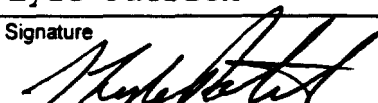
## ALIEN OWNERSHIP

|   |       |     |    |
|---|-------|-----|----|
| T49. Is the assignee or transferee a foreign government or the representative of any foreign government?  | ( N ) | Yes | No |
| T50. Is the assignee or transferee an alien or the representative of an alien?  | ( N ) | Yes | No |
| T51. Is the assignee or transferee a corporation organized under the laws of any foreign government?  | ( N ) | Yes | No |
| T52. Is the assignee or transferee a corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?   | ( N ) | Yes | No |
| T53. Is the assignee or transferee a corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, or of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country?<br>• If "yes", attach exhibit explaining nature and extent of alien or foreign ownership or control. | ( N ) | Yes | No |

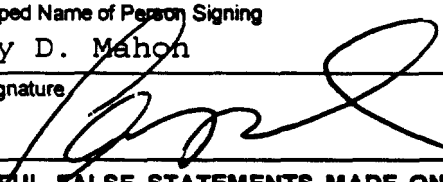
## BASIC QUALIFICATIONS

|  |       |     |    |
|--|-------|-----|----|
| T54. Has the assignor or transferor, assignee or transferee, or any party to this application had any FCC station authorization, license or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license, construction permit denied by the Commission?  | ( N ) | Yes | No |
| T55. Has the assignor or transferor, assignee or transferee, or any party to this application, or any party directly or indirectly controlling the assignor or transferor, assignee or transferee, or any party to this application ever been convicted of a felony by any state or federal court?   | ( N ) | Yes | No |
| T56. Has any court finally adjudged the assignor or transferor, assignee or transferee, or any party to this application, or any person directly or indirectly controlling the assignor or transferor, assignee or transferee, or any party to this application, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement or any other means or unfair methods of competition? | ( N ) | Yes | No |
| T57. Is the assignor or transferor, assignee or transferee, or any party to this application, or any person directly or indirectly controlling the assignor or transferor, assignee or transferee, or any party to this application, currently a party in any pending matter referred to in the preceding two items?   | ( N ) | Yes | No |
| T58. Do the undersigned each certify (by responding "Y" to this question) that neither the assignor or transferor nor the assignee or transferee is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance?<br>• See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes.   | ( Y ) | Yes | No |

## ASSIGNOR OR TRANSFEROR CERTIFICATION

|  |                                       |
|--|---------------------------------------|
| <p>The ASSIGNOR or TRANSFEROR represents that the authorization will not be assigned or that control of the licensee will not be transferred unless and until the consent of the Federal Communications Commission has been given; that all exhibits attached or referenced herein are a material part hereof and are incorporated herein as if set out in full in this application; and that all statements made in this application are true, complete and correct to the best of his or her knowledge and belief.</p> |                                       |
| T59. Typed Name of Person Signing<br>J. Lyle Patrick   | T60. Title<br>Chief Financial Officer |
| T61. Signature<br>  | T62. Date<br>6/24/97                  |

## ASSIGNEE OR TRANSFeree CERTIFICATION

|  |                                     |  |  |
|--|-------------------------------------|--|--|
| <p>The ASSIGNEE or TRANSFeree waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise. The assignee or transferee certifies that grant of this assignment or transfer of control would not cause the assignee or transferee to be in violation of the spectrum aggregation limit in 47 CFR Part 20. The assignee or transferee agrees to assume all obligations and abide by all conditions imposed upon the assignor or transferor under the subject authorization(s), unless the Federal Communications Commission pursuant to a request made herein otherwise allows, except for liability for any act done by, or any right accrued by, or any suit or proceeding had or commenced against, the assignor or transferor prior to this assignment or transfer of control. The undersigned, individually and for the assignee or transferee, hereby certifies that the statements made herein are true, complete and correct to the best of his or her knowledge and belief, and are made in good faith.</p> |                                     |  |  |
| T63. The assignee or transferee is a (an)    ( C )    Individual    Unincorporated Association    Partnership    Corporation   |                                     |  |  |
| T64. Typed Name of Person Signing<br>Casey D. Mahon  | T65. Title<br>Senior Vice President |  |  |
| T66. Signature<br>  | T67. Date<br>6-24-97                |  |  |
| <p><b>WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).</b></p>   |                                     |  |  |

**EXHIBIT 1**  
**(Questions T27-T32)**

**Description of Transaction**

McLeodUSA Incorporated ("McLeod") and Consolidated Communications Inc. ("Consolidated") have determined that they will realize significant economic and marketing efficiencies through a transaction by which Consolidated will become a wholly-owned subsidiary of McLeod. Accordingly, on June 14, 1997, McLeod and Consolidated executed an Agreement and Plan of Merger ("Agreement"). Pursuant to the Agreement, McLeod has formed Eastside Acquisition Co. ("Eastside"), a wholly-owned Delaware corporation, for the purpose of consummating the proposed reorganization. Consolidated will merge with and into Eastside, with Eastside surviving. Eastside will then be renamed Consolidated Communications Inc. ("New Consolidated"). All subsidiaries of Consolidated will remain subsidiaries of New Consolidated. At the effective time of the merger, \$155 million in cash and approximately 8.5 million shares of McLeod Class A Common Stock (\$0.01 par value) will be distributed to the owners of Consolidated Common and Preferred Stock. Specifically, each share of Consolidated Series A Preferred Stock will be exchanged for approximately 4.5 shares of McLeod Class A Common Stock and each share of Consolidated Series B Preferred Stock will be exchanged for approximately 4.5 shares of McLeod Class A Common Stock. Consolidated Common Stock will be exchanged for a mix of cash and McLeod Class A Common



**Consolidated Communications Telecom Services Inc.**  
**FCC Form 490**  
**June 1997**

**Stock, which exact mix will be elected by each shareholder of Consolidated Common  
Stock.**

**EXHIBIT 2**

**Parties to Application**

McLeodUSA Incorporated ("McLeod") currently holds a greater than five percent direct or indirect interest in the following entities:

| <b>Company</b>                              | <b>Business</b>                               |
|---|---|
| McLeodUSA Telecommunications Services, Inc. | Telecommunications                            |
| McLeodUSA Media Group, Inc.                 | Intermediate Holding Company                  |
| McLeodUSA Diversified, Inc.                 | Intermediate Holding Company                  |
| McLeodUSA Network Services, Inc.            | Fiber Optic Network Construction              |
| McLeodUSA Publishing Co.                    | Directory Publishing                          |
| McLeodUSA Maintenance Services, Inc.        | Maintenance of Fiber Optic Facilities         |
| Digital Communications of Iowa, Inc.        | Sales and Installation of Telephone Equipment |
| ESI/McLeodUSA, Inc.                         | Sales and Installation of Telephone Equipment |
| MWR Towers, Inc.                            | Tower and Real Estate Leasing                 |
| Ruffalo, Cody & Associates, Inc.            | Marketing and Fundraising                     |
| Campus Call, Inc.                           | Telemarketing Fundraising for Colleges        |
| OakTel Directory L.C.                       | Directory Publishing                          |

**Consolidated Communications Telecom Services Inc.**  
**FCC Form 490**  
**June 1997**

The current five percent of greater shareholders of McLeod are as follows:

| <b><u>Name and Address</u></b>   | <b><u>Percentage Ownership</u></b> | <b><u>Citizenship</u></b>   |
|--|------------------------------------|-----------------------------|
| IES Investments, Inc.<br>200 1st Street, S.E.<br>Cedar Rapids, Iowa 52401  | 17.1                               | U.S.<br>Corporation         |
| Clark E. McLeod<br>Mary McLeod<br>McLeodUSA Incorporated<br>McLeodUSA Technology Park<br>6400 C Street, S.W.<br>P.O. Box 3177<br>Cedar Rapids, Iowa 52406-3177 | 9.0<br>8.2                         | U.S.                        |
| MWR Investments Inc.<br>500 E. Court Ave.<br>Des Moines, Iowa 50309  | 15.7                               | U.S.<br>Corporation         |
| Putnam Investment Management, Inc.<br>One Post Office Square<br>Boston, MA 02109   | 7.5                                | U.S.<br>Corporation         |
| Allsop Venture Partners III, L.P.<br>2750 1st Ave.<br>Cedar Rapids, Iowa 52402   | 7.4                                | U.S. Limited<br>Partnership |

Consolidated Communications Inc. ("Consolidated") currently holds a greater than five percent direct or indirect interest in the following entities:

| <b><u>Company</u></b>                               | <b><u>Business</u></b>            |
|---|-----------------------------------|
| Illinois Consolidated Telephone Company             | Telecommunications                |
| Consolidated Communications Telecom Services Inc.   | Telecommunications                |
| Consolidated Communications Directories Inc.        | Directory & Electronic Publishing |
| Consolidated Market Response Inc.                   | Marketing & Database Services     |
| Consolidated Communications Operator Services Inc.  | Operator Services                 |
| Consolidated Communications Public Services Inc.    | Telecommunications                |
| Consolidated Communications Systems & Services Inc. | Information Technology            |
| Greene County Partners, Inc.                        | Cable TV                          |

**Consolidated Communications Telecom Services Inc.**

**FCC Form 490**

**June 1997**

|  |                                 |
|--|---------------------------------|
| <b>CCD/Scripps, L.L.C.</b>                   | <b>Directory Publishing</b>     |
| <b>Coles Park, L.L.C.</b>                    | <b>Office Park Owner</b>        |
| <b>SRG, Inc.</b>                             | <b>Software Design</b>          |
| <b>Midwest Cellular Associates</b>           | <b>Telecommunications</b>       |
| <b>Illinois SMSA Limited Partnership</b>     | <b>Telecommunications</b>       |
| <b>Mattoon Enterprise Park, L.L.C.</b>       | <b>Office Park Owner</b>        |
| <b>National Telecommunications Network</b>   | <b>Telecommunications</b>       |
| <b>Effingham Hi-Tech General Partnership</b> | <b>Office Park Owner</b>        |
| <b>International Teldata Corporation</b>     | <b>Electronic Meter Reading</b> |

A list of the shareholders of Consolidated is attached. All trustees and beneficiaries are U.S. citizens.

List of Shareholders

Page 1 of 6

| <u>Name and Address</u>  | <u>Common</u> | <u>Series A</u><br><u>\$100, 8.20%</u><br><u>Preferred</u> | <u>Series B</u><br><u>\$100, 8.50%</u><br><u>Preferred</u> |
|--|---------------|--|--|
| Margaret Lumpkin Keon, Mary Lee Sparks, and<br>Richard Anthony Lumpkin, not individually but as<br>Trustees under Voting Trust Agreement dated<br>November 30, 1994  |               |  |  |
| Margaret Lumpkin Keon, Trustee of the<br>Margaret Lumpkin Keon Trust dated May 13, 1978<br>Keon Associates<br>16 Miller Avenue - #203<br>Mill Valley, California 94941   | 53,340        |  |  |
| Richard Anthony Lumpkin as Trustee Under Trust<br>Agreement dated May 13, 1978 f/b/o Richard<br>Anthony Lumpkin<br>Mattoon, Illinois 61938   | 27,839        |  |  |
| Richard Anthony Lumpkin and Christina Louise<br>Sparks as Trustees Under Trust Agreement dated<br>May 13, 1978 f/b/o Mary Lee Sparks<br>Mattoon, Illinois 61938  | 57,840        |  |  |
| Richard Anthony Lumpkin and Harris Trust and<br>Savings Bank as Trustees u/a/d Feb. 6, 1970<br>c/o Harris Trust and Savings Bank<br>111 West Monroe Street<br>Chicago, Illinois 60690  | 421,874       |  |  |
| Richard Anthony Lumpkin and Harris Trust and<br>Savings Bank as Trustees u/a/d Feb. 6, 1970 as<br>supplemented by Supplemental Agreement dated<br>November 5, 1976<br>c/o Harris Trust and Savings Bank<br>111 West Monroe Street<br>Chicago, Illinois 60690 | 28,126        |  |  |
| Total  | 589,019       | -  | -  |

| <u>Name and Address</u>   | <u>Common</u> | <u>Series A<br/>\$100, 8.20%<br/>Preferred</u> | <u>Series B<br/>\$100, 8.50%<br/>Preferred</u> |
|---|---------------|--|--|
| The Lumpkin Foundation<br>Mattoon, Illinois   | 45,000        | -  | -  |
| Richard Adamson Lumpkin Grandchildren's Trust<br>dated 9/5/80<br>Mattoon, Illinois 61938<br>(Trustee: Richard Anthony Lumpkin)  | 48,838        | -  | -  |
| Margaret Lumpkin Keon, Trustee of the Margaret<br>Lumpkin Keon Trust dated May 13, 1978<br>Keon Associates<br>16 Miller Avenue - #203<br>Mill Valley, California 94941  | -             | 3,960  | 43,763   |
| Margaret L. Keon 1993 Grantor Retained Annuity<br>Trust<br>Mattoon, Illinois 61938<br>(Trustees: Pamela Keon Vitale and Joseph John<br>Keon III)  | -             | -  | 21,763   |
| Margaret L. Keon 1990 Dynasty Trust<br>Mattoon, Illinois 61938<br>(Trustee: Margaret L. Keon)   | 21,681        | -  | -  |
| Richard Anthony Lumpkin, not individually, but as<br>trustee of the trust named for Joseph John Keon III<br>created under the Mary Green Lumpkin Gallo Trust<br>Agreement dated December 29, 1989<br>Mattoon, Illinois 61938    | 35,000        | -  | -  |
| Richard Anthony Lumpkin, not individually, but as<br>trustee of the trust named for Katherine Stoddert<br>Keon created under the Mary Green Lumpkin Gallo<br>Trust Agreement dated December 29, 1989<br>Mattoon, Illinois 61938 | 35,000        | -  | -  |
| Richard Anthony Lumpkin, not individually, but as<br>trustee of the trust named for Lisa Anne Keon<br>created under the Mary Green Lumpkin Gallo Trust<br>Agreement dated December 29, 1989<br>Mattoon, Illinois 61938          | 35,000        | -  | -  |

| <u>Name and Address</u>   | <u>Common</u> | <u>Series A<br/>\$100, 8.20%<br/>Preferred</u> | <u>Series B<br/>\$100, 8.50%<br/>Preferred</u> |
|---|---------------|--|--|
| Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Margaret Lynley Keon created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989<br>Mattoon, Illinois 61938         | 35,000        | -  | -  |
| Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Pamela Keon Vitale created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989<br>Mattoon, Illinois 61938           | 35,000        | -  | -  |
| Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Susan Tamara Keon DeWyngaert created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989<br>Mattoon, Illinois 61938 | 35,000        | -  | -  |
| Margaret L. Keon 1990 Personal Income Trust for the Benefit of Joseph John Keon III dated April 20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)  | 10,000        | -  | -  |
| Margaret L. Keon 1990 Personal Income Trust for the Benefit of Katherine Stoddert Keon dated April 20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)                                     | 10,000        | -  | -  |
| Margaret L. Keon 1990 Personal Income Trust for the Benefit of Lisa Anne Keon dated April 20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)  | 10,000        | -  | -  |
| Margaret L. Keon 1990 Personal Income Trust for the Benefit of Margaret Lynley Keon dated April 20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)  | 10,000        | -  | -  |

| <u>Name and Address</u>  | <u>Common</u> | <u>Series A<br/>\$100, 8.20%<br/>Preferred</u> | <u>Series B<br/>\$100, 8.50%<br/>Preferred</u> |
|--|---------------|--|--|
| Margaret L. Keon 1990 Personal Income Trust for<br>the Benefit of Pamela Keon Vitale dated April 20,<br>1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)   | 10,000        | -  | -  |
| Margaret L. Keon 1990 Personal Income Trust for<br>the Benefit of Susan Tamara Keon DeWyngaert<br>dated April 20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)                                 | 10,000        | -  | -  |
| Richard Anthony Lumpkin as Trustee under Trust<br>Agreement dated May 13, 1978 f/b/o Richard<br>Anthony Lumpkin<br>Mattoon, Illinois 61938   | -             | 3,960  | 43,827   |
| Richard Anthony Lumpkin 1993 Grantor Retained<br>Annuity Trust<br>Mattoon, Illinois 61938<br>(Trustees: Richard's two children)  | -             | -  | 21,833   |
| Richard Anthony Lumpkin 1990 Dynasty Trust<br>Mattoon, Illinois 61938<br>(Trustee: Richard Anthony Lumpkin)  | 21,680        | -  | -  |
| Richard Anthony Lumpkin, not individually, but as<br>trustee of the trust named for Benjamin Iverson<br>Lumpkin created under the Mary Green Lumpkin<br>Gallo Trust Agreement dated December 29, 1989<br>Mattoon, Illinois 61938   | 55,000        | -  | -  |
| Richard Anthony Lumpkin, not individually, but as<br>trustee of the trust named for Elizabeth Arabella<br>Lumpkin created under the Mary Green Lumpkin<br>Gallo Trust Agreement dated December 29, 1989<br>Mattoon, Illinois 61938 | 55,000        | -  | -  |
| Richard Anthony Lumpkin 1990 Personal Income<br>Trust for the Benefit of Benjamin Iverson Lumpkin<br>dated April 20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)                              | 95,000        | -  | -  |



| <b><u>Name and Address</u></b>  | <b><u>Common</u></b> | <b><u>Series A<br/>\$100, 8.20%<br/>Preferred</u></b> | <b><u>Series B<br/>\$100, 8.50%<br/>Preferred</u></b> |
|---|----------------------|---|---|
| Richard Anthony Lumpkin 1990 Personal Income<br>Trust for the Benefit of Elizabeth Arabella Lumpkin<br>dated April 20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)                         | 95,000               | -   | -   |
| Mary Lee Sparks<br>2438 Campbell Road, N. W.<br>Albuquerque, New Mexico 87104   | -                    | 3,960   | 40,606  |
| Mary Lee Sparks 1993 Grantor Retained Annuity<br>Trust<br>Mattoon, Illinois 61938<br>(Trustees: Mary Lee's four children)   | 1,250                | -   | 18,019  |
| Mary Lee Sparks 1990 Dynasty Trust<br>Mattoon, Illinois 61938<br>(Trustee: Richard Anthony Lumpkin)   | 21,681               | -   | -   |
| Richard Anthony Lumpkin, not individually, but as<br>trustee of the trust named for Anne Romaine Sparks<br>created under the Mary Green Lumpkin Gallo Trust<br>Agreement dated December 29, 1989<br>Mattoon, Illinois 61938     | 40,000               | -   | -   |
| Richard Anthony Lumpkin, not individually, but as<br>trustee of the trust named for Barbara Lee Sparks<br>created under the Mary Green Lumpkin Gallo Trust<br>Agreement dated December 29, 1989<br>Mattoon, Illinois 61938      | 40,000               | -   | -   |
| Richard Anthony Lumpkin, not individually, but as<br>trustee of the trust named for Christina Louise<br>Sparks created under the Mary Green Lumpkin<br>Gallo Trust Agreement dated December 29, 1989<br>Mattoon, Illinois 61938 | 40,000               | -   | -   |
| Richard Anthony Lumpkin, not individually, but as<br>trustee of the trust named for John Woodruff Sparks<br>created under the Mary Green Lumpkin Gallo Trust<br>Agreement dated December 29, 1989<br>Mattoon, Illinois 61938    | 40,000               | -   | -   |

| <u>Name and Address</u>  | <u>Common</u>    | <u>Series A<br/>\$100, 8.20%<br/>Preferred</u> | <u>Series B<br/>\$100, 8.50%<br/>Preferred</u> |
|--|------------------|--|--|
| Mary Lee Sparks 1990 Personal Income Trust for<br>the Benefit of Anne Romaine Sparks dated April<br>20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)     | 20,000           | -  | -  |
| Mary Lee Sparks 1990 Personal Income Trust for<br>the Benefit of Barbara Lee Sparks dated April 20,<br>1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)      | 20,000           | -  | -  |
| Mary Lee Sparks 1990 Personal Income Trust for<br>the Benefit of Christina Louise Sparks dated April<br>20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey) | 20,000           | -  | -  |
| Mary Lee Sparks 1990 Personal Income Trust for<br>the Benefit of John Woodruff Sparks dated April<br>20, 1990<br>Mattoon, Illinois 61938<br>(Trustees: David R. Hodgman and R. J. Currey)    | 20,000           | -  | -  |
| <b>Total</b>   | <u>1,559,149</u> | <u>11,880</u>                                  | <u>189,811</u>                                 |

**EXHIBIT 3**

**Current Licensee**

**Consolidated Communications Mobile Services ("CCMS"), a wholly-owned subsidiary of Consolidated Communications Inc. ("Consolidated"), is in the process of dissolution. Due to an oversight, Consolidated has not previously filed an application for a *pro forma* assignment of KSC369 from CCMS to Consolidated Communications Telecom Services ("CCTS"), another wholly-owned subsidiary of Consolidated. Simultaneous with the filing of the present application to transfer control of CCMS from Consolidated to McLeod, an application and request for special temporary authority are being filed for the *pro forma* assignment of KSC369 from CCMS to CCTS. After consummation of this transaction and approval by the FCC of both the assignment and the transfer of control applications, KSC369 will be held by CCTS, which will be a wholly-owned indirect subsidiary of McLeod.**

## LICENSEE QUALIFICATION REPORT

## INSTRUCTIONS:

- A. The "Filer" of this report is defined to include: (1) An applicant, where this report is submitted in connection with applications for common carrier and satellite radio authority as required for such applications; or (2) A licensee or permittee, where this report is required by the Commission's Rules to be submitted on an annual basis.
- B. Submit an original and one copy (sign original only) to the Federal Communications Commission, Washington, DC 20554. If more than one radio service is listed in Item 6, submit an additional copy for each such additional service. If this report is being submitted in connection with an application for radio authority, attach it to that application.
- C. Do not submit a fee with this report.

|  |  |
|--|--|
| <b>1. Business Name and Address (Number, Street, State and ZIP Code) of Filer's Principal Office</b><br>McLeodUSA Incorporated<br>McLeodUSA Technology Park<br>6400 C Street, SW, P.O. Box 3177<br>Cedar Rapids, Iowa 52406-3177   | <b>2. (Area Code) Telephone Number</b><br>(319) 364-0000<br><b>3. If this report supersedes a previously filed report, specify its date</b><br>N/A |
| <b>4. Filer is (check one):</b><br><input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation<br><input type="checkbox"/> Other (Specify):   | <b>5. Under the laws of what State (or other jurisdiction) is the Filer organized?</b><br>Delaware   |
| <b>6. List the common carrier and satellite radio services in which Filer has applied or is a current licensee or permittee:</b><br>Point-to-Point Microwave Radio Service; Rural Radiotelephone Service<br>Broadband Personal Communications Service; Paging and Radiotelephone Service |  |

|  |   |
|--|---|
| <b>7 (a) Has the Filer or any party to this application had any FCC station license or permit revoked or had any application for permit, license or renewal denied by this Commission? If "YES", attach as Exhibit I a statement giving call sign and file number of license or permit revoked and relating circumstances.</b>   | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| <b>(b) Has any court finally adjudged the Filer, or any person directly or indirectly controlling the Filer, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or other means of unfair methods of competition? If "YES", attach as Exhibit II a statement relating the facts.</b> | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| <b>(c) Has the Filer, or any party to this application, or any person directly or indirectly controlling the Filer ever been convicted of a felony by any state or Federal court? If "YES", attach as Exhibit III a statement relating the facts.</b>  | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| <b>(d) Is the Filer, or any person directly or indirectly controlling the Filer, presently a party in any matter referred to in Items 7(b) and 7(c)? If "YES", attach as Exhibit IV a statement relating the facts.</b>  | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| <b>8. Is the Filer, directly or indirectly, through stock ownership, contract or otherwise, currently interested in the ownership or control of any other radio stations licensed by the Commission? If "YES", submit as Exhibit V the name of each such licensee and the licensee's relation to the Filer.</b> <span style="float: right;">See Exhibit V</span>   |   |

If Filer is an individual (sole proprietorship) or partnership, answer the following and Item 11:

|   |  |
|---|--|
| <b>9 (a) Full Legal Name and Residential Address (Number, Street, State and ZIP Code) of Individual or Partners:</b><br>N/A | <b>(b) Is individual or each member of a partnership a citizen of the United States?</b> N/A<br><input type="checkbox"/> YES <input type="checkbox"/> NO                         |
|   | <b>(c) Is individual or any member of a partnership a representative of an alien or of a foreign government?</b> N/A<br><input type="checkbox"/> YES <input type="checkbox"/> NO |

If Filer is a corporation, answer the following and item 11:

- 10 (a) Attach as Exhibit VI the names, addresses, and citizenship of those stockholders owning of record and/or voted 10 percent or more of the Filer's voting stock and the percentages so held. In the case of fiduciary control, indicate the beneficiary(ies) or class of beneficiaries.

See Exhibit VI

- (b) List below, or attach as Exhibit VII the names and addresses of the officers and directors of the Filer.

See Exhibit VII

- (c) Is the Filer directly or indirectly controlled by any other corporation? ☐ YES ☒ NO

If "YES", attach as Exhibit VIII a statement (including organizational diagrams where appropriate) which fully and completely identifies the nature and extent of control. Include the following: (1) the address and primary business of the controlling corporation and any intermediate subsidiaries; (2) the names, addresses, and citizenship of those stockholders holding 10 percent or more of the controlling corporation's voting stock; (3) the approximate percentage of total voting stock held by each such stockholder; and (4) the names and addresses of the president and directors of the controlling corporation.

- (d) Is any officer or director of the Filer an alien? ☐ YES ☒ NO

- (e) Is more than one-fifth of the capital stock of the Filer owned of record or voted by aliens or their representatives, or by a foreign government or representative(s) thereof, or by a corporation organized under the laws of a foreign country? ☐ YES ☒ NO

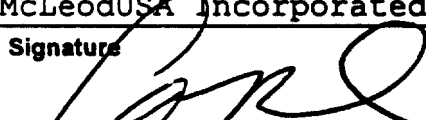
- (f) Is the Filer directly or indirectly controlled: (1) by any other corporation of which any officer or more than one-fourth of the directors are aliens, or (2) by any foreign corporation or corporation of which more than one-fourth of the capital stock is owned or voted by aliens or their representatives, or by a foreign government or representatives thereof. ☐ YES ☒ NO

- (g) If any answer to questions (d), (e) or (f) is "YES", attach as Exhibit IX a statement identifying the aliens or foreign entities, their nationality, their relationship to the Filer, and the percentage of stock they own or vote.

#### 11. CERTIFICATION

This report constitutes a material part of any application which cross-references it, and all statements made in the attached exhibits are a material part thereof. The ownership information contained in this report does not constitute an application for, or Commission approval of, any transfer of control or assignment of radio facilities. The undersigned, individually and for the Filer, hereby certifies that the statements made herein are true, complete and correct to the best of the Filer's knowledge and belief, and are made in good faith. The undersigned, individually and for the Filer, certifies that neither the applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance.

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, SECTION 312(A)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).

|   |                       |         |
|---|-----------------------|---------|
| Filer (must correspond with that shown in Item 1)                                   | Typed or Printed Name |         |
| McLeodUSA Incorporated  | Casey D. Mahon        |         |
| Signature   | Title                 | Date    |
|  | Senior Vice President | 6/24/97 |

#### NOTICE TO INDIVIDUALS REQUIRED BY THE PRIVACY ACT OF 1974 AND THE PAPERWORK REDUCTION ACT OF 1995

The solicitation of personal information requested in this form is to determine if you are qualified to become or remain a licensee in commercial carrier or satellite radio service pursuant to the Communications Act of 1934, as amended. No authorization can be granted unless information requested is provided. Your response is required to obtain the requested authorization or retain an authorization.

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for review instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any other aspect of this collection of information, including suggestions reducing the burden to Federal Communications Commission, Records Management Branch, Washington, DC 20554, Paperwork Reduction Project (3060-0105), or via the internet to [dconway@fcc.gov](mailto:dconway@fcc.gov). DO NOT SEND COMPLETED FORMS TO THIS ADDRESS. Individuals are not required to respond to a collection of information unless it displays a currently valid OMB control number.

**EXHIBIT V**  
**(Question 8)**

**McLeodUSA Incorporated ("McLeod") currently is the licensee of 25 "D" and "E" block Broadband Personal Communications Services licenses in Illinois, Iowa, Minnesota, Nebraska and South Dakota.**

**By means of applications that are being filed simultaneously with this Form 430, McLeod seeks Commission consent to control, directly or indirectly, Consolidated Communications Inc. ("CCI") and the following subsidiaries of CCI that hold FCC licenses: Illinois Consolidated Telephone Company, Consolidated Communications Mobile Services, Consolidated Communications Telecom Services, and Midwest Cellular Associates Limited Partnership. As a result of this transaction, CCI and its subsidiaries would become wholly-owned subsidiaries of McLeod. The above-mentioned CCI subsidiaries hold FCC licenses in the Point-to-Point Microwave Radio Services, Broadband Personal Communications Services, Rural Radio Services, and Paging and Radiotelephone Services.**

**EXHIBITS VI, VII**  
**(Questions 10(a), 10(b))**

**Ownership**

**The current five percent or greater shareholders of McLeodUSA**

**Incorporated ("McLeod") are as follows:**

| <b><u>Name and Address</u></b>   | <b><u>Percentage Ownership</u></b> | <b><u>Citizenship</u></b>   |
|--|------------------------------------|-----------------------------|
| IES Investments, Inc.<br>200 1st Street, S.E.<br>Cedar Rapids, Iowa 52401  | 17.1                               | U.S.<br>Corporation         |
| Clark E. McLeod<br>Mary McLeod<br>McLeodUSA Incorporated<br>McLeodUSA Technology Park<br>6400 C Street, S.W.<br>P.O. Box 3177<br>Cedar Rapids, Iowa 52406-3177 | 9.0<br>8.2                         | U.S.                        |
| MWR Investments Inc.<br>500 E. Court Ave.<br>Des Moines, Iowa 50309  | 15.7                               | U.S.<br>Corporation         |
| Putnam Investment Management, Inc.<br>One Post Office Square<br>Boston, MA 02109   | 7.5                                | U.S.<br>Corporation         |
| Allsop Venture Partners III, L.P.<br>2750 1st Ave.<br>Cedar Rapids, Iowa 52402   | 7.4                                | U.S. Limited<br>Partnership |

As part of the transaction referenced above in Exhibit V, new shares of McLeod stock will be issued to existing holders of CCI common stock. As a result, the interests of the above McLeod shareholders will be diluted when the merger is consummated. McLeod does not currently anticipate that the issuance of McLeod stock to CCI shareholders will result in any new ten percent or greater shareholders of McLeod.

**Officers and Directors**

The address for the following proposed Officers and Directors of the filer will be c/o McLeodUSA Incorporated, McLeodUSA Technology Park, 6400 C Street, S.W., P.O. Box 3177, Cedar Rapids, Iowa 52406-3177. The proposed Officers and Directors of McLeod subsequent to the transaction described are as follows:

| <b><u>Name</u></b>       | <b><u>Title</u></b>  | <b><u>Director</u></b> |
|--------------------------|--|------------------------|
| Clark E. McLeod          | Chairman, Chief Executive Officer                            | Yes                    |
| Richard A. Lumpkin       | Vice Chairman  | Yes                    |
| Stephen C. Gray          | President, Chief Operating Officer                           | Yes                    |
| Blake O. Fisher, Jr.     | Chief Financial Officer, Executive Vice President, Treasurer | Yes                    |
| Robert J. Currey         | Executive Vice President                                     | Yes                    |
| Kirk E. Kaalberg         | Executive Vice President                                     | --                     |
| Stephen K. Brandenburg   | Executive Vice President                                     | --                     |
| David M. Boatner         | Executive Vice President                                     | --                     |
| Albert P. Ruffalo        | Executive Vice President                                     | --                     |
| Arthur L. Christoffersen | Executive Vice President                                     | --                     |
| Casey D. Mahon           | Senior Vice President, General Counsel and Secretary         | --                     |
| Russell E. Christiansen  | --   | Yes                    |
| Thomas M. Collins        | --   | Yes                    |
| Paul D. Rhines           | --   | Yes                    |
| Lee Liu                  | --   | Yes                    |